

## **II. RECOMMENDATIONS FOR A REVISED TRAVEL PROCESS**

### **A. Travel Authorization**

**“The Travel Authorization should be approved by the project chief, and no higher. The project chief decides what project personnel should be doing, and should authorize them to travel or not!!”**

DOI Customer Survey Respondent

#### **1. Overview**

A number of requirements which deal with the authorization of travel, as described in Title 41 of the Code of Federal Regulations indicate that: all travel must be authorized by the head of the agency or a delegated official; a travel authorization must generally be issued before travel expenses can be incurred; each employee's travel be authorized separately; and that travel to conferences, meetings, foreign countries, and permanent change of station travel be authorized on a trip-by-trip basis.

The existing Departmental process is designed around a 1949 Travel Authorization form. The form was developed to comply with the Federal Travel Regulation (FTR), rather than accomplish mission support. Administrative controls now utilized for the travel authorization have become complex, costly to administer, and are highly fragmented.

The need to provide proof of authority to travel arises also from a legal requirement to support claims for injuries which occur while on official travel. Occasionally a commercial rental agent or hotel operator will request proof of authority to incur official business expenses at government contract rates and this authority must be provided. A travel authorization is also required before contract air reservations can be made through GSA contracted Travel Management Centers (TMC). Finally, authorizations also provide advance notice and record of the employee's instructions and entitlements. The different types of travel authorizations which can be issued are described in Figure II - 1.

## **TYPES OF TRAVEL AUTHORIZATIONS**

### **1. Trip-By-Trip Authorizations**

Allows an individual or group of individuals to take specific trip. It must include the specific purpose, the dates and locations, per diem rates applicable, and provide an estimated cost. The following types of trips must be authorized separately authorized on a trip-by-trip basis and reviewed at a level of authority sufficient to provide policy approval:

- |                |                               |
|----------------|-------------------------------|
| 1. Conferences | 4. Foreign Travel             |
| 2. Meetings    | 5. Change of Official Station |
| 3. Training    |                               |

### **2. Limited Open Authorizations**

Allows travel for one quarter without further authorization. Specified conditions normally included in this form of authorization are identified below:

1. Specific geographical areas
2. Specific purposes
3. Subject to trip cost ceilings
4. Specific period of time
5. To locations of frequent repetitive travel for specified periods of time

### **3. Unlimited Open Authorizations**

Allows employee to travel under any purpose and are issued only for department or agency heads, their deputies, or other principal agency officials as designated by the agency head or designee.

## 2. Existing Authorization Process

**“The need to have trip-by-trip authorizations for every different kind of travel is ridiculous! Either our managers know where their employees are, or they do not. If someone is going to abuse travel, the many kinds of authorizations are not going to make any difference.”**

DOI Customer Survey Respondent

The manager, and in many instances the employee, initially identifies the need for travel. They identify a site(s) to be visited; determine approximate departure/arrival times; identify most advantageous mode of travel (i.e., government owned vehicle (GOV), commercial transportation (air, train, bus, etc.), or privately owned vehicle (POV)); and subsequently indicate hotel preferences or provide hotel name and location to the person(s) making the travel arrangements.

Generally an administrative person prepares the Travel Authorization (TA) and assigns a number to it. Approximately 37 percent of the department travelers utilize an automated travel software package to generate and print the authorization form. From this point, however, the subsequent processing is almost entirely a paper-based, manual process, i.e., the travel software is generally **not** linked electronically to the subsequent process steps, such as approval, review, or data entry into bureaus/offices accounting systems. After approvals have been obtained, a number of bureaus/offices forward these documents to finance offices to establish travel fund obligations in the accounting system.

The Travel Lab has noted that historically travel authorizations involved a multi-layered review and approval process. Instances of four or more levels of review and approvals were not uncommon in some bureaus/offices. The multi-level review process lengthens the travel cycle time, places an unnecessary burden on the traveler in the form of delays of documentation, and increases the indirect cost of document preparation significantly.

In a March 8, 1996, Congressional hearing on Government wide Travel Management, **Senator William S. Cohen noted that Government wide statistics show from 18 to 39 copies are made of each travel related document which is produced**. The traveler carries a copy(ies) while traveling, the office keeps a copy(ies), and copies are typically provided to the finance, program and budget offices, as well as administrative support staffs. Given the sea of paper that may follow once a travel authorization is issued, the Travel Lab concluded that meaningful travel process reform **must necessarily** begin with the authorization itself.

### **3. Recommended Expanded Use of Limited Open Authorization**

Significant reductions in administrative costs can be realized through the use of limited open authorizations for employees who are expected to travel frequently during the fiscal year. With the request and approval of waivers from several FTR requirements, the Department will be able to issue limited open authorizations which are valid for the **entire fiscal year** (without the need to conduct quarterly validation). In addition, the Department also received a waiver to use the annual limited open authorization for training, meetings, conference, and foreign travel (which previously had to be authorized on a trip by trip basis). Permanent change of station travel is not covered. The implementation of these changes may take place after completion of departmental policy statements and compliance with the requirements.

It is important to note the issuance of a limited open authorization, in and of itself, does not constitute authority to travel without explicit supervisory direction. Reimbursement is limited to those trips which the supervisor has directed the employee to perform.

### **B. Obligation of Travel**

**“Think about the bottom line. If it costs more to process paperwork than it does for the trip itself, something is wrong.”**

DOI Customer Survey Respondent

#### **1. Overview**

Since the National Performance Review targeted burdensome and antiquated governmental practices in 1993, many federal agencies/bureaus/offices have been exploring ways of reducing costs and eliminating unnecessary procedures to cope with a shrinking work force and austere budgets. One such procedure involves the practice of obligating travel cost information from a travel authorization. Originally conceived to provide control of funds, this practice may have outlived its usefulness.

The act of obligating travel from the travel authorizations, in advance of travel, does not always enhance funds control or program management. In practice, travel is generally obligated within a short period prior to actual travel, while travel is underway, or at the time the travel voucher expenditure claims are recorded for disbursement. For obligations to be effective and provide value-added benefit, travel obligation estimates must be known; be realistic; be promptly recorded and accurate in amounts; necessary modifications and corrections must be accomplished in a timely manner; and the results must provide value to program officials responsible for controlling travel funds. Estimated travel obligations on limited open travel authorizations, historically are inaccurate, inconsistent and time consuming, hence little value-added benefit is gained while at the same time the overhead, administrative cost price tag continues upward.

Since travel voucher reimbursement claims, which itemize travel expenses, are submitted and entered into the accounting system of most bureaus/offices within one week after the completion of travel, any value gained by advanced knowledge of an obligation, prior to the travel being performed, is lost. In fact any benefits derived from obligation of travel from the travel authorization document are more than offset by the cost of the obligation process. Moreover, experience has shown that travel obligations at any specific point in time comprise an inaccurate, insignificant or immaterial amount of the appropriation's total authority, and provide little or no value in the actual control of funds. End of the month reports received from accounting or budget systems frequently reflect that an obligation was entered, but has been offset by the corresponding disbursement which occurred during the same monthly reporting cycle.

## **2. Existing Obligation Process**

In general, copies of travel authorizations are forwarded to finance offices for obligation of estimated travel costs. Obligating travel authorizations in central accounting systems, or related systems, does provide some measure of control over funds. However, in order to be cost effective, estimates must be realistic, posting must be prompt and accurate, modifications and corrections must be entered timely and **most importantly**, the results must be both wanted and used by program officials for the control of funds.

Both unlimited and limited open travel authorizations are currently required to include an estimate of the travel costs to be incurred over the entire period of the authorization. In a few instances, bureaus/offices simultaneously record obligations and expenses from completed travel voucher claims which indicate the actual costs.

To reduce the administrative costs of processing documentation to obligate travel, a program supervisor or manager who approved the travel authorization would have to also have authority to approve and control funds. Various organizations already have accomplished this redirection and combining of budget and approval authority in different ways throughout the department. To make a determination regarding the cost effectiveness of the various methods used, the following considerations of process cost include: (a) use of additional time required by budgetary personnel to track and reconcile budget and accounting documents to actual expenditures and (b) use of additional tracking or unofficial recording systems to provide the necessary daily management information.

Consideration of the costs and benefits of maintaining the added information has lead some bureaus/offices to delegate the authority and responsibility for tracking the need for travel and the availability of funding to the lowest levels of management or supervision. In other instances, the supervisor makes the determination that a trip is required, and then submits an authorization to a budget office official, higher level managers, etc., to determine funds availability and permission to travel. Sometimes, this budget sign-off may be geographically removed from the traveler, substantially increasing the time and cost associated with authorizing travel.

### **3. Recommendation to Reduce or Eliminate Obligation of Travel**

As noted above, the recording of an estimated obligation amount for each trip/open/limited open authorization prior to travel is costly, requires continuous monitoring and updating, and requires reporting of obligations **before trips are completed** to be useful. When travel vouchers are filed, trips are canceled, or travel plans are modified, additional adjusting entries (and the reporting of this information to program managers) are necessary. Frequently this method proves to unnecessarily restrict bureau funds when no subsequent travel is performed or adjustments of estimates are not accomplished.

The Department has requested, and a waiver has been granted, from FTR requirement to create obligations from the estimated travel costs identified on travel authorizations. Upon submission of bureau's assurances that an adequate internal system of delegation and administrative control of funds to insure that violations of the Antideficiency Act and other laws and regulations will not occur, bureaus/offices will be encouraged to obligate only travel costs of significant value to warrant the cost of the obligation process.

#### **C. Delegate Authority to Approve Travel**

**“Too many signatures are required to accomplish government business. If we have confidence to assign managers to a job and they have the funding to accomplish their tasks, they should have the responsibility and be held accountable for its expenditure. Other signatures are superfluous”.**

DOI Customer Survey Respondent

#### **1. Overview**

Delegation of the authority pertaining to the number of administrative reviews and approval levels for the travel process has grown unchecked over the years. There are substantial differences between bureau program and administrative offices in terms of these costly and time-consuming reviews.

#### **2. Existing Delegation Process**

**“Way too many people are involved in this office with travel. It should only be the traveler, supervisor, and person coordinating travel.”**

DOI Customer Survey Respondent

In some cases, a single official approves the travel authorization and the travel voucher, while in other cases, as many as three or four reviews and/or signatures are required. Often, the processing of travel authorization requests takes place through a separate budget approval process. Based on the Travel Lab Survey results, the approving official and budget approval process frequently require signatures of officials geographically removed from the traveler's location. These remote and lengthy approvals increase processing time and cost associated with authorizing travel with limited evidence of increased benefits derived from these costly and cumbersome controls.

### **3. Recommendation to Delegate Temporary Duty Travel Approval to One Level**

To streamline the travel review process, immediate supervisors should have the authority and responsibility for authorizing domestic travel and approving subsequent travel expenses. This would mean that only one level of approval or review (by the "approving official") would be required for both the travel authorization and the administrative approval of the travel voucher rather than the three or four levels of review that are common throughout many of the bureaus/offices.

By a memorandum dated April 8, 1996, from the Assistant Secretary, Policy, Management and Budget to the Solicitor, Assistant Secretaries, and the Inspector General, new guidelines were issued to eliminate excessive levels of review relating to approval of travel authorizations and travel vouchers. The memorandum also stated that this authority should typically be exercised by the first line supervisor or team leader. It is further recommended that this be delegated to individuals located at the same site as the traveler wherever possible.

### **D. Travel Voucher Preparation**

**"Get rid of the travel voucher form. It takes too long to fill out, and it is difficult to get all the codes, etc. correct."**

DOI Customer Survey Respondent

#### **1. Overview**

Providing timely reimbursement to employees is an essential part of the streamlined travel process, and an important part of the Department's responsibility to the traveler. The Travel Lab recommendations to simplify complex regulations pertaining to voucher preparation and to provide a user friendly automated software for use by travelers should greatly reduce the time period required for travel reimbursements.

## **2. Existing Travel Voucher Preparation Process**

Upon completion of an official trip, it is the responsibility of the traveler to gather all documentation required in the preparation of a travel voucher. Approximately 45 percent of travel vouchers are prepared manually by travelers; the remainder use automated software of one form or another. The most common use of automated software at present, however, is to compute reimbursements owed to the traveler and to print and submit this information, in much the same manner as would be done if the voucher were prepared manually. While this has resulted in fewer computation errors and has speeded up reimbursement (from the audit and review perspective), many of the anticipated benefits have not been realized. Several pilot efforts are underway by bureaus/offices to automate the voucher preparation process in ways that would interface the information from vouchers with accounting systems. Some have already expended time, money and effort to achieve the automation they have in place. However, the successful complete automation within the Department is very limited at the present time.

Current travel regulations are complex and have perpetuated the requirement of paper-based information to be collected by travelers, and reported on the travel voucher. For example, travelers are required to record and report the exact times of arrivals and departures; provide the names and employing agencies of persons who share a rented vehicle; and attach a copy of the governing travel authorization to the travel voucher. In order to simplify travel computations, and to eliminate as much paper-based information as possible (in preparation for the next-generation travel system), the Department requested, and was granted, waivers from a number of travel regulations which impact the voucher preparation process.

## **3. Recommended Travel Voucher Claim Simplification**

The requested waivers impact the following travel voucher preparation steps and upon completion of departmental policy statements, clarifying the internal controls and conditions that must be in place prior to implementation, the following changes could be initiated by the bureaus/offices:

- a. Per Diem for the First and Last Day of Travel (For All Travel Exceeding 24 Hours), Will be Paid on a Flat Rate Basis Equivalent to 75 Percent of the Applicable M&IE**

Payment of per diem for all department travelers would take place at the flat rate of 75 percent of the meals and incidental expenses (M&IE) allowance for the first and last days of travel exceeding 24 hours. While the rule for per diem computation will thus be simplified, travelers will, more importantly, no longer be required to record the time of departure from and arrival at any place where official travel begins or ends. Upon receipt of the implementation memorandum of this policy, reimbursement for the first and last days of temporary duty travel assignments will **always** be reimbursed at the flat rate equal to 75 percent of the M&IE without consideration of the actual departure and arrival time.

**b. Attachment of Copies of Travel Authorization to Travel Voucher Claims**

A waiver of the requirement to attach a copy of the travel authorization to each travel voucher claim for reimbursement was received. Upon bureau's notification to travelers of a bureau-wide implementation date, employees may discontinue the practice of attaching a copy of the limited open travel authorizations with each TDY travel voucher claim for reimbursement. Some revisions of the present travel voucher form will likely be required prior to implementation to ensure that all requisite information is properly captured and recorded. More details concerning implementation requirements are provided in Chapter III. Bureaus/offices which have already implemented automated travel processes may be able to incorporate this change more readily than those who still rely on paper submission of travel voucher claims which are then data entered into accounting systems. New methods for obtaining required information relating to the special purposes of travel (training, conferences, meetings, and foreign) and statements of the purpose for each trip previously obtained from the copies of travel authorizations will need to be established.

**c. Reimbursement for Tips to Taxi Drivers**

A waiver was granted from the requirement for travelers to identify the dollar amount of a tip paid for taxi services as a separate item from the taxi fare cost and the explicit provision which would not permit the tip to exceed 15 cents for each dollar of fare expense.

Upon issuance of Departmental guidance for reimbursement of taxicab tips and the designated monetary limit on the amount of taxicab reimbursement stated in GSA's response to ensure that reimbursements are authorized only when justifiable and when all circumstances are met, each bureau may notify travelers of the implementation date of this policy change.

**d. Identification of Persons Traveling Together by Rental Cars and Special Conveyances**

The requirement that travelers' claims for reimbursement document instances when two or more persons travel together by means of a rented vehicle or special conveyance (by listing the names and employing agency of each person sharing that expense) has been waived. Implementation by individual bureaus/offices will take place upon receipt of the Department's policy governing standards of behavior for dealing with the employee's own and other financial interests that conflict with the performance with an employee's official travel duties.

## **E. Prepayment Examination and Reimbursement and of Travel Vouchers**

### **1. Overview**

The reimbursement provided to the employee for travel related expenses represents an important step in the travel process. Within 5 days after returning from a trip, travelers are responsible for submitting the travel voucher for reimbursement. Upon submission and receipt of these reimbursement vouchers by the various finance offices or remote data entry points, the prepayment examination or review process takes place prior to reimbursement to the traveler. There are various travel payment processes currently being used throughout the department. All of the current payment processes require the traveler to first complete the travel voucher claim and obtain an approval signature(s) before reimbursement can be made. Treasury checks and electronic transfer of payments to travelers designated bank accounts are the most common type of payment used to reimburse travelers for travel voucher expenses. Third party draft and imprest fund payments are used by some bureaus/offices to expedite the travel reimbursement process to travelers.

The passage of the Debt Collection Improvement Act of 1996 has reduced the use of alternative methods, and mandates the use of electronic fund transfer. The conversion from other methods is currently underway in each of the bureaus.

### **2. Existing Disbursement of Travel Payments**

As noted above, there are a number of different payment mechanisms which are presently being used to reimburse travelers:

#### **a. Reimbursement by Treasury Check and Electronic Transfer**

Reimbursement by Treasury check and electronic transfer generally require the traveler to mail the travel voucher to a bureau finance office. The finance office then enters this information into the accounting systems. When electronic transfers are used check mailing time from Treasury to the traveler's mailing address is eliminated. Administrative costs associated with responding to inquiries from travelers regarding lost, stolen, or destroyed treasury checks, that must be made to Treasury by the bureau finance office, is significantly reduced when electronic transfer of payment is used in lieu of issuance of a Treasury check. Many bureaus/offices currently utilize automated notifications via the E-mail or LAN systems to inform the traveler of electronic transfers of payment accomplished which provide the actual date of the transfer, the dollar amount of the payment, and the period of travel covered.

### **b. Reimbursement by Imprest Fund or Third Party Drafts**

When reimbursement is made to the traveler by an imprest fund cashier disbursement of cash, some travelers identified delays which result from: restrictions of the imprest cashier Treasury dollar limits, limited availability of cash on a particular day, and restrictions on hours of operation.

Reimbursement made through the use of third party draft also may incur delays based upon the availability of drafts and the necessity to deposit or cash the drafts prior to use. When reimbursement is being made by either of these methods, travelers are being reimbursed prior to the bureau finance office prepayment statistical sampling audit being performed. Over or under payments occurring through this method of reimbursement require notification of discrepancies and in some instances issuance of Bills of Collection for the overpaid amounts. Limitations applied on the dollar amount disbursed through third party draft varies significantly from bureau to bureau, and often within the bureaus/offices themselves.

Use of imprest fund cashiers and third party draft cashiers require numerous administrative procedures for approval, designation and revocation of cashiers by bureaus/offices and treasury. Administrative reviews, reports, analysis, audits, and reconciliations are required. The most significant cost of processing reimbursement for travel voucher claims in either of these methods is the additional finance office expense and costs incurred by the **dual data entry** required for either the imprest fund or third party draft. Since payment occurred prior to receipt of the documentation in the bureau finance office, the Bills of Collection for overpayment and the entire collection process required when timely payment of bills does not occur is costly. Reconciliation of imprest travel payments with Treasury cash accounting reconciliation through the accounting systems financial reports is another additional cost of the process. The timeliness of recording travel expense reimbursement data in the Accounting systems is directly impacted by the frequency that imprest fund cashiers' submit their replenishment vouchers which include the travel voucher claims that have been paid.

## **3. Recommended Improvements in Pre-Payment Examination and Traveler Reimbursement Method**

### **a. Government Accounting Office (GAO) Approval to Perform Post-Payment Audit**

A post payment examination is defined as an administrative review to assure that internal controls of an automated system, performing electronic audit of travel voucher claims, is in fact performing properly and providing assurance of accuracy of payments being made.

Where an automated travel management system performs electronic audits during the preparation, approval and submission process, the typical prepayment statistical sampling requirements may be eliminated. Under an automated travel management system, all claims will be electronically audited for compliance with existing policies and procedures prior to being forwarded for payment.

Upon approval of the Departmental request for waiver and the completion of an automated travel system which performs critical audits of travel vouchers, the prepayment sampling requirement could be waived. Departmental policy statements, completion of automation will be transmitted by memorandum pending GAO approval.

#### **b. Traveler Reimbursement Method**

The Debt Collection Improvement Act of 1996 requires all agencies to make payments by electronic method. To comply with this statute, travelers will be required to receive their travel reimbursement by electronic payment. Employees will be notified by E-Mail or LAN system that the electronic payment has been made.

Using electronic payments and post-payment audit (pending GAO approval), all bureaus will be able to reimburse employees within 5 days of receipt by the finance offices.

### **F. Government-sponsored Corporate or Individual Travel Charge Card**

#### **1. Overview**

The Department uses corporate and individual Government-sponsored travel charge cards to finance the majority of expenditures related to travel. Employees who are expected to travel during the course of a fiscal year receive an individual Government-sponsored travel charge card. The individual travel charge cards are intended for use to cover most travel related expenses, including commercial transportation, hotels, rental cars, and meals. At the present time, there are approximately 39,000 individual travel charge cards that have been issued to travelers. Approximately 59 percent of these card holders currently have Automated Teller Machine (ATM) privileges. ATM privilege allows travelers to obtain their travel advance from ATM bank machines rather than a bureau issued travel advance payment.

Bureaus/offices use corporate centralized billing accounts to finance the purchase of airline tickets. These “corporate” accounts are used to support many travelers within a given area, bureau or office. The Department has approximately 700 such accounts, nationwide. Bureaus/offices receive a rebate of 0.65 percent of all charges made by travelers to the corporate and the individual Government-sponsored travel charge card accounts.

## **2. Existing Process**

### **a. Corporate Centralized Billing Accounts**

Generally, corporate centralized billing accounts are established by a bureau for each office location utilizing a travel management center (TMC). As travelers within a location charge airline ticket costs to a corporate account, the TMC will charge and correspondingly submit the charges to the contract credit card company, currently American Express, by referencing the proper corporate account number. Travelers provide travel authorization numbers, cost accounting information, and personal travel preferences to the TMC's, which ties the ticket purchases expense back to specific travelers and bureaus/offices. The traveler then provides identical information about the ticket expense, dates of travel, authorization numbers, etc., on the travel voucher submitted to the bureau.

Historically, transportation charges were originally charged to individual Government-sponsored travel charge cards. Airfares are usually a large portion of the total travel cost and travelers are expected to make timely payment on their individual Government-sponsored travel charge card monthly invoices. When bureaus/offices were not consistently reimbursing travelers, within 30 days of submission of travel claims, many travelers refused to pay individual Government-sponsored travel charge card bills by the payment due dates. In an effort to resolve these issues, bureaus/offices began establishing and purchasing commercial transportation tickets on corporate centralized billing accounts.

Corporate centralized billing accounts are invoiced monthly, biweekly, or weekly to the bureaus/offices for all transportation charges placed on the accounts by the TMC's and submitted to the contract charge card company for payment to the TMC. When bureaus/offices receive these invoices, these have to be reconciled with commercial transportation tickets issued and unused tickets returned for refund and credit. This is primarily a manual process, as the invoice received from the contract charge card company does not include the information provided by the traveler to the TMC. This important detailed data is not provided, manually or electronically (e.g., traveler, authorization number, and accounting information) with the corresponding commercial transportation charges. A couple of bureaus/offices have arranged to obtain electronic data files from several TMC's and the contract charge card companies have developed an interface to assist in reconciliation and interfacing this data with accounting systems. These electronic files and subsequent interfaces have substantially reduced the indirect costs associated with corporate centralized billing account payment processing.

In 1995, the Department paid approximately \$100,000 in interest penalties for late payments on these approximately 700 corporate billing accounts. Late payments commonly arise because of the labor intensive reconciliation process. The use of electronic data files, the interface with the accounting systems and reduced reconciliation requirements has reduced the workload and late payment penalties.

### **b. Individually Government-sponsored Travel Charge Cards**

Currently 83 percent of the travelers within the Department are issued individual Government-sponsored travel charge cards to be used for the sole purpose of charging travel related expenses. Travelers are responsible for reconciling charges, made by them through use of this card, to charges received on their monthly statement. The traveler is responsible for submitting timely payment on their account or notify the company of erroneous or protested amounts. Under the terms of the current government contract with travel charge card companies, each bureau is also responsible for assisting the charge company in collecting delinquent amounts on individual Government-sponsored travel charge card accounts.

Individually issued Government-sponsored travel charge card usage has not been mandatory to date, and the survey results indicated that 37 percent of departmental travelers use other charge cards that are not Government-sponsored. Individuals have been allowed to choose to use the individual Government-sponsored travel charge card or pay non transportation related travel expenses via their own personal funds or a personal (non Government-sponsored) credit card. Many travelers currently obtain travel advances for miscellaneous travel expenses through the use of their Government-sponsored travel charge card at commercial ATM machines nationwide. Travelers are reimbursed transaction fees associated with approved ATM maximum dollar amounts for M&IE and miscellaneous expenses. In instances where ATM privileges are not provided, the Department travelers are being issued a travel advances from the bureau. The Joint Financial Management Improvement Program identified bureau issued travel advances (and the subsequent collection action) as one of the major contributors to the governments excessive administrative and indirect costs associated with travel.

## **3. Recommended Change in Government-sponsored Travel Charge Card**

### **a. Corporate Centralized Billing Accounts**

Bureaus/offices that have solved the delay in reimbursement to travelers and where no hardship on the traveler will occur should encourage travelers, on a voluntary basis, to charge travel related transportation charges to individual Government-sponsored travel charge cards. This will reduce administrative costs associated with reconciliation efforts throughout each bureau and late payment penalties currently being paid. Individual travelers will need bureau procedures in place to assure receipt of credit for unused airline tickets.

It is recommended that under the new TMC contract requirements, verification of contracted travel charge card company charges be performed by the TMC who submitted these charges. It is further recommended that electronic data files, containing specific contract information, be provided bureaus/offices to assist in interfacing payment information with the accounting systems.

Bureaus/offices are encouraged to reduce the number of corporate centralized billing accounts to correspond to the reduced usage of these accounts. Accounts should be consolidated wherever practicable.

**b. Individually Issued Government-sponsored Travel Charge Cards**

Department travelers will be expected to use their individual Government-sponsored travel charge card for all government travel related charges. Issuance of individual Government-sponsored travel charge cards to travelers should occur wherever deemed practicable by the bureaus. Bureaus/offices lose the 0.65 percent rebate, on each dollar charged, for all travel expenses that are not charged to the individual Government-sponsored travel charge card.

Bureaus/offices which have not provided ATM privileges to all travelers in lieu of agency issued travel advances are encouraged to do so. The issuance and in particular the collection activity costs associated with agency issued travel advances (e.g., Treasury checks, electronic deposits, imprest and third party draft payments) have been identified by JFMIP as one of the three most significant overhead and indirect costs within the federal government.

**G. Travel Management Services Contract**

**1. Overview**

On May 25, 1984, GSA began contracting with commercial travel agencies to establish Travel Management Centers (TMC's) at all major Federal employment centers. The travel agencies which were awarded the geographic area contracts held exclusive rights to providing service to the remote areas and to any agencies without a dedicated TMC service contract located within the geographic contract area. A few locations had a requirement for service that justified issuing more than one contract to serve an area; however, the agencies that were authorized to use a specific TMC were controlled by the GSA contract. The program grew through the years and in 1995 there were approximately 140 GSA contracted TMC's nationwide.

The TMC concept was intended to provide "one stop" full travel management services nationwide, including but not limited to, airline, train, and bus reservations and ticketing; car rental and lodging reservations; assistance with obtaining visas and passports; and arranging conferences and seminars. This "one stop" shopping was intended to provide the traveler with immediate service and ensure compliance with the rules affecting the various government travel programs (i.e., contract airline utilization, Government-sponsored travel charge card program, and the FTR), as well as providing accurate and timely travel management data to the agency.

The large numbers of TMC's, the various regulations, and the payment and processing methods used by the different government entities, proved to be overwhelming to the commercial travel agencies and the government travelers. Thus, the anticipated services began to deteriorate by the time the TMC program was implemented. Due to necessity the services were streamlined to provide only the minimum service essential to arranging for en route transportation and limited support for car rental reservations.

## **2. Existing Process**

Once a determination is made that travel is necessary to accomplish the assigned mission, the trip planning must commence. The traveler commonly has a requirement for airline accommodations, rental car, and hotel/motel accommodations at the temporary duty location. These reservations and/or arrangements are accomplished by the traveler or another designated individual.

Under the current TMC contract terms a traveler making reservations for commercial transportation services must already have a travel authorization and provide the authorization number to the agent. Additional reservations for rental car and hotel/motel accommodations may also be made at the same time. Travelers who do not require commercial transportation services, approximately 40-60 percent of travelers, rarely use the services of a TMC.

Mandatory use of contract TMC's by Federal agencies has not assured consistent levels of service. The levels of service are inconsistent within DOI based on the responses to the Travel Lab Survey to questions of how long it takes to make reservations through the TMC and the variety of time required for delivery or pick up of tickets. Travelers make their own contact for reservations 41 percent of the time with only 50 percent of these contacts being completed within 30 minutes.

The current administrative process leading up to making a specific TMC available for use by the travelers of a bureau or office is a long and time-consuming process. The process includes entering into an agreement, a Memorandum of Understanding (MOU), with the TMC servicing the area, outlining how the services will be provided, including a basic description of the service and minimum requirements for billing, use of contract airline contracts, the requirement to adhere to the bureau/office travel rules. The agreement will also specify any rebates due the agency and the amount of the rebate that is to be paid to GSA for using their contracts. Bureaus/Offices are required to use the TMC designated by GSA for the area where the employee's duty station is located. Based on the GSA contracts the Department is required to procure travel services from approximately 140 TMCs. Each bureau or office utilizing a TMC must enter into a separate MOU, with the TMC; thus, if five bureaus/offices use a TMC in a given location, five separate MOUs must be developed. Service provided by TMC's vary substantially from contract to contract. Some TMC's are large and are capable of providing service on a worldwide basis while others are small and have only limited service capabilities. In addition to being limited on capability to provide service, the ADP support capability for providing travel management data is practically non existent in many of the smaller TMC's.

The current process of obtaining travel management services is too fragmented and provides an excellent opportunity for loss of rebates and has no quality control over the services received. The Department does not know the total number of MOUs with TMCs.

### **3. Recommendation to Issue Department of Interior TMC Contract(s)**

The Department's arrangement with approximately 140 TMC's was identified and the Travel Lab directed to consider this as a prime area which offers opportunities for both savings and improved service to traveling employees. A TMC work group was established to develop and refine detail requirements for TMC contracts. In an effort to provide a starting point for the work group the Travel Lab identified the following "straw man" requirements:

#### **"Straw man" Requirements for Travel Management Center Contract**

- a. Provide a toll-free 800 number to service departmental travelers
- b. Maintain a Customer Profile for each Traveler
  - Hotel, airline seats, car rental preferences
  - Current Travel authorization reference
  - Cost structure default
- c. Provide direct access for customer complaints; maintain records on
  - Establishments against which complaints have been filed
  - provide a monthly report on Customer Complaints
- d. Negotiate Best Possible Rates for Hotels and Car Rentals.
- e. Telephone Response Standard
  - No more than 2 minutes wait to provide "live" reservation agent
  - Accept fax requests for information or reservations (1 day turn around)
- f. Ticket Delivery Standard
  - Deliver tickets to all DOI locations at least 2 days prior to departure
  - Ability to provide expedited, emergency service when necessary
- g. When to Charge Accounts (dates)
  - When tickets are issued
- h. Refunds and credits
  - Should be processed in same billing cycle, or when discovered
- i. Automated reconciliation of corporate centralized billings
  - GSA contracted charge card company billing will be presented to the TMC for

matching and reconciliation

- Reconciled billings are to be forwarded to appropriate Finance Offices for payment
- Unreconciled items are to be researched and resolved with GSA contracted charge card company before Finance Office is contacted
- Each bureau shall provide a record layout for interfacing corporate centralized billings into the accounting systems (FFS and ABACIS)

j. Provide an Electronic File of TMC Data Relating to Trip

A final recommendation on the approach to contracting for travel management services will be deferred until the TMC work group completes its efforts.

## **H. Automated Travel Management**

### **1. Overview**

As noted in the Customer Survey, about 45 percent of travelers in The Department use some form of automated travel management software. Most of the software contains per diem rates, mileage rates, forms generation which duplicate the standard travel authorization and travel voucher formats, and calculation capabilities based on the regulations. The advantage of using some sort of automated travel management software is that there is a marked reduction in calculation errors in the finished documents and data is entered one time and can be automatically used over again in subsequent documents or electronically transmitted to update accounting systems.

The ideal automated travel system would not only contain all of the above rates, forms, and regulations, but would also be password secure, completed documents would be routed automatically to designated approving officials, through an automatic payment audit, and then directly, through an interface, into the accounting system. All signatures would be encrypted to assure the integrity of the approval of documents processed within the automated system, and the electronic routing system would automatically notify employees or managers that a document is awaiting action.

### **2. Existing Automated Travel Processes**

Currently the Department has invested about \$420,000 for various forms of automated travel management software. There are more than 1,500 separate software packages (single user and LAN versions) in use in DOI and most are used just to generate paper copies for signature and payment. Some bureaus/offices have tested existing software capabilities for electronic routing and encrypted signatures, and a few of those processes worked successfully. One of the drawbacks to full use of encrypted signatures, is that GAO has only approved one pilot project, which uses a form of electronic signatures of approving officials, because existing off-the-shelf software does not technically comply with the NIST encryption standards.

The estimated cost to upgrade all of the existing travel management software presently in use in the Department is \$1.7 million. This hefty price tag includes an annual maintenance fee of almost \$335,000. One small bureau with less than 700 employees was quoted a price of \$85,000 to upgrade, \$17,000 of which was annual maintenance.

With the estimated cost to upgrade all of our software, the efforts of GSA, the Department of the Interior Travel Lab, and many other Federal and private organizations to streamline and reinvent the travel process as we know it today, it seems that the bureaus/offices must take this opportunity to explore new approaches and possibly new software packages which will accommodate the changing requirements of the travel process while meeting our automation requirements today and in the future.

The objective of automation of travel is primarily focused on increase accuracy of computations required in the completion of the travel voucher claims for reimbursement. The benefits of automation should also be reflected by reduction of time and cost required in prepayment reviews of claims; reduce the volumes of paper generated, copies made and potential for loss of documentation; automate the approval process in order to significantly reduce the time currently required; elimination of duplicate data entry of travel authorization and travel voucher accounting and payment information into the accounting systems. Automation also provides a database of statistical information on travelers profiles and preferences in air travel, hotel accommodations, cities most frequently visited, exceptions and frequency to regulations granted; in house modification and maintenance to the automated system used to support ongoing streamlining of processes, etc.

### **3. Options Discussed**

The main options considered were to continue with, and upgrade, the present software in use in DOI, use some other forms-based software package for travel management, develop a departmental travel subsystem compatible with the existing accounting systems, or have a third party (e.g., Travel Management Center, other Federal agency, or private industry) develop, maintain, and process all travel voucher reimbursements for the Department.

#### **k. Continue with the Present Software**

Many locations already rely heavily on the present software. Employees are trained in the use of the software and it has proven to be very effective for some of these locations. The cost to maintain this existing software has more than doubled for the single user package, as has the cost to purchase. Cost increases of as much as three times the current prices are estimated within the next couple of years. The existing interface meets the needs of only a small group of users within the Department.

## **I. Use Forms-based Software**

The Travel Lab has considered alternatives based on information presented during demonstrations by major forms-based software developers. We have seen demonstrations of the Department of Justice forms-based travel software package which appears to contain most, if not all, of our requirements. Forms-based packages provide additional flexibility for adapting to any changes in processes and regulatory requirements without major re-programming efforts. These companies have indicated that they will work with the Department to train department employees in the maintenance and upkeep of any package that is designed. Most of the forms software developers provide imaging and/or attachment of electronic image files to documents being electronically transmitted. This capability may be invaluable in future receipt retention requirements.

Additional benefits anticipated through the use of a forms-based travel management package is compatibility, ease of use, same password for use of the Departmental administrative forms package contract by providing automated standard forms, optional forms, DOI forms, etc. including a travel management system at the one minimal cost per package beginning at \$35 per user with low annual maintenance fees or "upgrade fees" of approximately \$15 to \$20 per year per user.

## **m. Develop Internal Travel Process**

The internal development and maintenance of an automated travel process was discussed. There was concern about the compatibility of existing hardware with the concept of a flexible, customer friendly, easy to use, maintain and changing travel system. Development of a fully functional Travel Subsystem or Module appears to be at least two years in the future. The primary benefit of this option, would be the direct integration with the accounting systems.

## **4. Recommendation**

None of the current systems meet all of the criteria that are desired and none are flexible enough to be mastered and modified internally. The Travel Lab recommends that the Department should move to a software package with a custom designed travel application as soon as practicable. To further this end, we recommend the formation of an Automated Travel System Improvement Team to focus on identifying, assessing and recommending alternative system approaches for a single automated travel system which will further reduce the cost of the travel process. Particular emphasis should be placed on development of automated interfaces between the travel system and the accounting systems. The Finance Officers Partnership will take the lead role in this effort to ensure the resulting system is fully integrated with the accounting systems. The team will include representatives from Information Resources Management, program and user communities.